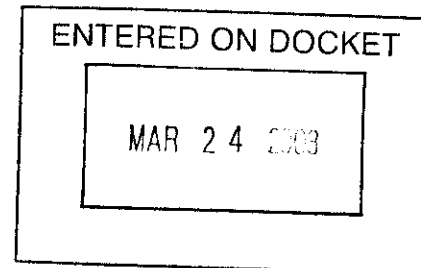
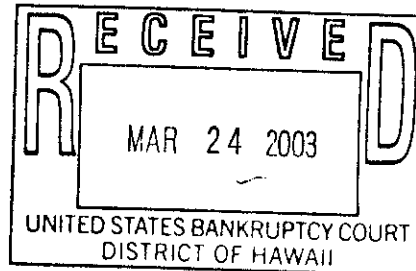


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IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF HAWAII

In re
HAWAIIAN AIRLINES, INC.,
a Hawaii corporation,

Debtor.

Case No. 03 -00817
(Chapter 11)

**ORDER ESTABLISHING PROCEDURES
FOR INTERIM COMPENSATION AND
REIMBURSEMENT OF CHAPTER 11**

**PROFESSIONALS AND COMMITTEE
MEMBERS**

Date: March __, 2003

Time:

Judge: Hon. Robert J. Faris

This matter coming on to be heard on the Motion for an Order Establishing Procedures for Interim Compensation and Reimbursement of Chapter 11 Professionals and Committee Members (the "Motion") filed by the above-captioned debtor and debtor in possession (the "Debtor"); the Court having reviewed the Motion and papers submitted in support thereof and having heard the statements of counsel in support of the relief requested therein at a hearing thereon (the "Hearing"); the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); the Court finding that notice of the Motion and the Hearing given by the Debtors was sufficient under the circumstances and that no further notice need be given except as herein provided; and the Court being fully advised in the premises and having determined that the legal and factual bases set forth in the Motion and at the Hearing on the Motion establish just cause for the relief herein granted;

IT IS HEREBY ORDERED THAT:

1. Except as provided in an Order Authorizing Retention and Employment of Professionals Utilized in the Ordinary Course of Business (the “Ordinary Course Professional Order”) entered in the above-captioned case, and except as may be otherwise provided in separate orders authorizing the retention of specific professionals, all Professionals³ in this case, including chapter 11 professionals retained by the Debtor, any professionals retained by any committees appointed in this chapter 11 case pursuant to section 1102 of the Bankruptcy Code (a “Committee”) and those ordinary course professionals whose fees and expenses exceed the limitations set forth in the Ordinary Course Professional Order, shall seek compensation and reimbursement in accordance with the procedures set forth below.

2. The Professionals desiring to obtain interim compensation and reimbursement shall seek compensation and reimbursement in accordance with the following procedures:

a. No earlier than the 25th day of each calendar month, each Professional seeking monthly interim compensation must file a fee statement (a “Fee Statement”) summarizing interim compensation sought for services

³ All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

rendered and reimbursement of expenses incurred during the immediately preceding month and any previous month for which compensation and/or reimbursement has not yet been sought (the “Compensation Period”) and serve a copy of such Fee Statement on: (i) the Debtor; (ii) Akin Gump and Cades Schutte, counsel to the Debtor; (iii) the Office of the United States Trustee; and (iv) counsel to any Committee (collectively, the “Notice Parties”).

b. All Fee Statements must provide information in the format required by Local Bankruptcy Rule 2016-1 and the Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees promulgated by the Court pursuant to Local Bankruptcy Rule 2016-1. With respect to time entries, all Fee Statements must contain (i) a detailed description, organized in chronological order by subject matter of the task, of the specific tasks performed, (ii) the length of time it took to perform such task, expressed in tenths (1/10ths) of hours – also, the Fee Statement must detail each task or contemporaneously related tasks performed and indicate the length of time it took to perform each such task or contemporaneously related tasks, except where contemporaneously related tasks are related to each of the specific tasks performed, bunching/aggregating of all daily time entries is not permitted, (iii) an identification of who performed the work,

(iv) the identity of the participants and the primary subject of conferences and telephone calls, (v) a description of the research topic for legal research and (vi) the identity of the document, by title or subject, for time entries for drafting and reviewing documents.

c. Each Notice Party will have twenty (20) days after service of a Fee Statement (the “Objection Deadline”) to object (an “Objection”) to any Professional’s Fee Statement. If, upon the expiration of the Objection Deadline, no Objection has been filed pursuant to subsection (d) below, the Professional may file a certificate of no objection with the Court, after which the Debtor shall pay such Professional an amount (the “Actual Monthly Payment”) equal to the lesser of (i) 80 percent of the fees and 100 percent of the expenses requested in the Fee Statement (the “Maximum Monthly Payment”) and (ii) 80 percent of the fees and 100 percent of the expenses not subject to an Objection pursuant to subparagraph (d) below.

d. Objections must be written and filed with the Court and received by the affected Professional (the “Affected Professional”) and the Notice Parties on or before the Objection Deadline. Thereafter, the Debtor, the objecting party and the Affected Professional may attempt to resolve the Objection on a consensual basis. If the parties are unable to reach a resolution of the Objection within twenty (20) days after service of the

Objection, the Affected Professional may either: (i) file a response to the Objection with the Court, together with a request for payment of the difference, if any, between the Maximum Monthly Payment and the Actual Monthly Payment made to the Affected Professional (the “Incremental Amount”); or (ii) forego payment of the Incremental Amount until the next interim or final fee application hearing, at which time the Court will consider and dispose of the Objection, if requested by the parties. The failure to object to a Professional’s Fee Statement shall not in any way preclude a party in interest from objecting to an Interim or Final Fee Application.

e. In four-month intervals, or at such other intervals convenient to the Court, each of the Professionals must file with the Court and serve on the Notice Parties a request (an “Interim Fee Application”) for interim Court approval and allowance, pursuant to section 331 of the Bankruptcy Code, of the compensation and reimbursement of expenses sought in the Fee Statements filed during such period (the “Interim Fee Period”). The Interim Fee Application must include a summary of the Fee Statements that are the subject of the request and any other information requested by the Court or required by the rules of bankruptcy procedure (the “Bankruptcy Rules”) or the local bankruptcy rules (the “Local Rules”). Each Professional must file its Interim Fee Application within twenty-five (25) days after the end of the

Interim Fee Period for which the request seeks allowance of fees and reimbursement of expenses. Any Professional that fails to file an Interim Fee Application when due will be ineligible to receive further interim payments of fees or expenses under the Compensation Procedures until such time as a further Interim Fee Application is submitted by the Professional.

f. The Debtor shall request that the Court schedule a hearing on the Interim Fee Applications at least once every four (4) months, or at such other intervals as the Court deems appropriate.

g. The pendency of an Objection to payment of compensation or reimbursement of expenses will not disqualify a professional from the future payment of compensation or reimbursement of expenses under the Compensation Procedures.

h. Neither (i) payment of or failure to pay, in whole or in part, monthly interim compensation and reimbursement of expenses under the Compensation Procedures nor (ii) the filing of or failure to file an Objection will bind any party in interest or the Court with respect to the allowance of interim or final applications for compensation and reimbursement of expenses of professionals. All fees and expenses paid to Professionals under the Compensation Procedures are subject to disgorgement until final allowance by the Court.

3. The Professionals shall submit final applications to the Court for final approval and allowance of their compensation and reimbursement in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, and orders of this Court, or in accordance with such other procedures as this Court may authorize by separate order, and by such deadline as may be established in a confirmed chapter 11 plan or in an order of this Court.

4. Each member of any Committee may obtain reimbursement for reasonable out-of-pocket expenses incurred in connection with Committee membership in accordance with the following procedures:

a. Each Committee member may submit a statement of expenses and supporting vouchers and receipts to Committee counsel, who will collect and based thereon, submit a comprehensive request for reimbursement to the Debtor with copies to Akin Gump, Cades Schutte and the Office of the United States Trustee. The Committee's counsel will not be permitted to submit a request for reimbursement more frequently than once every thirty (30) days.

b. The Debtor will issue reimbursement checks within twenty (20) days after receipt of a request from Committee counsel, except or the Office of the U.S. Trustee with respect to any expense to which the Debtor objects. The Debtor will

or the Office
of the U.S.
Trustee

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provide notification of any objection within the same twenty (20) day period.

c. The Debtor, the Committee member to whose expense an objection is made, ^(, and the Office of the U.S. Trustee) ~~and~~ Committee counsel ^{R/S} will attempt to resolve any such objection, but in the absence of a resolution, the Debtor will issue a reimbursement check with respect to any expense subject to objection only pursuant to an order of this Court, which order shall be obtained by the applicable Committee member only upon motion and notice to the Debtor and its counsel.

d. Committee member expenses need not be approved pursuant to any interim or final application process, unless necessary to resolve any pending objection to a reimbursement request.

e. Notwithstanding the failure to object to any reimbursement request, and notwithstanding payment pursuant to any reimbursement request, the Debtor and other parties in interest will have the right, at any time during the chapter 11 case, upon motion and following notice and a hearing, to seek disgorgement of any amounts paid to any Committee member.)

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5. The Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order.

Dated: Honolulu, Hawaii, ^{MAR 24 2003}_____, 2003


UNITED STATES BANKRUPTCY JUDGE

APPROVED AS TO FORM


Office of the United States Trustee

In re Hawaiian Airlines, Inc., Chapter 11, Case No. 03-00817;
ORDER ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION
AND REIMBURSEMENT OF CHAPTER 11 PROFESSIONALS AND
COMMITTEE MEMBERS